FORISE INTERNATIONAL LIMITED
(Company Registration No. 200804077W)
(Incorporated in Singapore)

RESPONSE TO QUERIES FROM THE SINGAPORE STOCK EXCHANGE SECURITIES TRADING LIMITED ("SGX-ST") ON EARLIER ANNOUNCEMENT

The Board of Directors of Forise International Limited (the "**Company**", and together with its subsidiaries, the "**Group**") refers to the Company's earlier announcement in relation to the entry into a joint venture agreement with Raffles Emi Pte. Ltd. to establish a joint venture company dated 22 March 2022 (the "**Earlier Announcement**").

Unless otherwise defined, all capitalized terms herein shall have the meaning ascribed to them in the Earlier Announcement.

The Board would like to respond to the queries raised by the SGX-ST via RegCo Portal on 23 March 2022 as follows:

SGX-ST'S QUERIES:-

Query 1
We refer to the Company's announcement on 22 March 2022 on its entry into a joint venture agreement with Raffles Emi Pte. Ltd. ("**Remi**") to establish a joint venture company ("**JV Company**"). Disclose the directors and key management personnel of Remi and whether Mr Martin Ong is holding shares in Remi on behalf or in trust or will be taking voting instructions in respect of the shares in the JV Company from anyone. To also disclose the paid-up share capital of Remi.

Company's Response:
Mr Martin Ong ("**Mr Ong**") is the sole director and shareholder of Remi. Mr Ong is neither holding in trust nor taking voting instructions in respect of the shares in the JV Company from anyone. The paid-up capital of Remi is S$100,000. The key management of Remi consists of Mr Ong, who is the Chief Executive Officer, a Chief Operating Officer who has many years of working experience in a leading remittance company, and Chief Technology Officer who has more than twenty years of experience working in a cyber security firm, who have decided to put their expertise, experience and knowledge together under Remi to see the fruition of their labour under the JV Company.

Query 2
Provide details of the number of licensed digital banks and digital payment companies that work with Remi and which are the most significant ones that work with him. To describe the agency and jurisdictions where the licensed digital banks and digital payment companies have been granted its licenses. What is the scope of these collaborations that Remi has with these licensed digital banks and digital payment companies and when did he commence such collaborations? How successful are these collaborations to-date?

Company's Response:
Remi has not entered into any formal working/collaboration agreement with any licensed digital banks and digital payment companies as of the date of this announcement. For the past year to date, Remi has been actively engaged in close discussions with around 4 licensed digital banks and digital payment companies in preparation for securing such work contracts. Broadly, the intended arrangement under these work contracts would be the provision of referral services to the licensed banks and companies, with a view to referring suitable end-clients ("**Merchants**") to the licensed bank or company ("**Vendor**") and *vice versa*, based on the Vendors' capabilities as understood from the current rounds of discussions. It is intended that all such contracts will ultimately be entered into under the name of the JV Company.

Remi has signed non-disclosure agreements ("**NDA**") with these Vendors . As such, we have provided the information requested to the fullest extent possible while being mindful of observing these confidentiality and non-disclosure obligations, as follows:

Licensed digital banks/digital payment companies	**Jurisdictions**	**Agency**
Company A	Singapore and UK	Monetary Authority of Singapore (MAS), eMoney Institution (EMI) license in UK and Lithuania
Company B	Singapore, Hong Kong and UK	Monetary Authority of Singapore (MAS), Hong Kong Customs and Excise Department (HKCED) and UK Financial Conduct Authority
Company C	Singapore	Monetary Authority of Singapore (MAS)
Company D	Singapore	Monetary Authority of Singapore (MAS) and Financial Crimes Enforcement Network, a bureau of the US Department of the Treasury

Query 3

When did Remi start the process of establishing its Merchant Membership Program and how many Merchant Members have been signed up to this program currently? What are the size of operations of these merchants e.g. are they small sole proprietors?

Company's Response:

Remi had started formulating their plans since FY2020 and as of today, they are in close discussions with our representatives from Singapore, Thailand, Indonesia, Africa and Australasia. The Merchant Membership Program has not been implemented as of the date of this announcement. As soon as definitive agreements are signed in respect of the establishment of the Merchant Membership Program, the Company will proceed to make the necessary announcements accordingly.

The Merchants are wholesalers and retailers in the following selected industries: grocery, recreation, eating outlets, medical clinics and travel-related businesses as well as co-working space providers.

Query 4

What is the name of Remi's digital payment solutions system and has this system been patented or registered. If so, please provide details. If not, what due diligence has the Company undertaken to satisfy the Board that this system is acceptable and successfully implemented?

Company's Response:

Remi is not a system designer nor system provider and will not be adopting its own digital payment system. It will ride on the licensed Vendors' platforms and white-label it according to Remi's intended membership requirement. Remi's solution system is a merchant membership loyalty program which provides digital payment solutions by way of deploying various licensed payment providers to its clients, and for the avoidance of doubt, is not the digital payment system itself.

Query 5

Please disclose the nature of the South African project and what experience Mr Martin Ong has in operating in South Africa and how successful is this venture to-date. What are his qualifications and expertise in the area of digitalisation of financial solution platforms? Please provide specific information.

Company's Response:

Mr. Ong was involved in a project called Rafiki Gold, a digital currency backed by a basket of commodities, since FY2018 and it was still in its development stage. Mr Ong has his strong business network in forming up the management team. Unfortunately, due to the Covid-19 pandemic, travel

restrictions and lack of funds, the project was halted and subsequently terminated. Mr. Ong has since resigned from this project.

Mr Ong is taking his MBA with University of Roehampton at the moment. While involving in the Rafiki Gold project, he was heavily involved in the entire building of the project and spoken to many technology specialists around the world to form up the project.

Query 6

To disclose the aggregate value of the consideration proposed to be given for the Company's shareholding in the JV Company as well as any advances/loans that are intended for the operational needs. To also disclose the corresponding capital investment and loans/advances to be extended by Remi and to confirm if these risks of monetary contribution will be in proportion of their shareholding interest. Please quantify the amounts to be committed by Remi for the JV Company and when these will be paid.

Company's Response:

As disclosed in the Earlier Announcement, the Company's shareholding proportion in the JV Company shall be 51%. As such, the Company's aggregate value of the consideration is $51,000 out of the total issue and paid-up capital of S$100,000. Correspondingly, Remi shall own 49% of the JV Company for an aggregate value of the consideration of $49,000. There are no loans/advances to be extended by any Party at this point in time. In event that such loans/advances are to be extended, the risks of monetary contribution will be in proportion to the shareholding interest. The amount shall be paid as soon as the local bank account for the JV Company is set up.

Query 7

To disclose the expected cash burn from operating this new JV Company in the first two years and how much of the financing of these operating costs will be supported by the Company as well from Remi. Please also disclose the financial position of Remi to be able to finance their portion as anticipated.

Company's Response:

The Parties will make financial contributions in proportions equivalent to their shareholding proportions in the JV Company. The projected expenditure required to operate the JV Company is presently uncertain as it is dependent on factors including but not limited to the number of contracts the JV Company can secure and the terms of such contracts, which will impact on the manpower and resources required to support such contracts. However, the Company is cognisant of its financial position and is therefore committed to minimizing expenditure, such as by ensuring that the JV Company practices prudent controls and follows the Company's standard operating procedure policy in place. For a start, the JV Company will adopt a low basic salary plus performance bonus remuneration package to maintain a low budget while incentivising the team of the JV Company to achieve good performance. Mr Ong who is the sole shareholder of Remi, who is self-funding and will be able to finance their portion as anticipated.

Query 8

To disclose if the principal business of the JV Company services will be licensed under regulatory body and in which jurisdiction. Does the JV Company have any potential customers? Provide some background information on the size and businesses of these potential customers.

Company's Response:

The Company will ensure that the principal business of the JV Company in providing advisory and management services will be in compliance with all applicable laws and regulations. The JV Company's business neither involves offering to the public or any section of the public in Singapore (including making any advertisement), nor accepting or processing any payment transaction for any merchant. The JV Company will ensure that its business is conducted with all due care so as not to contravene any licensing requirements. For this reason, it is intended that the JV Company will partner with various licence holders to develop its business. Where, at such juncture, the JV Company decides to undertake business which requires licensing, the application will be duly made.

Please refer to our response to Queries 2 and 3 for further details on the background information on the sizes and business industries of our potential customers.

Query 9
What is the staff headcount that Remi has for providing such advisory and management services? Why does Remi need to establish a JV Company with the Company if it is able to provide such services alone since these would not incur significant costs?

Company's Response:
Remi has currently designated four staff members to provide such marketing, advisory and management services. Remi requires the support of a public listed company in order to land greater credibility in securing the clients and for Remi to deliver corporate advisory services. Furthermore, the Company also has its own strengths and resources that could contribute to the JV Company.

Query 10
To confirm that loans from the JV Company shareholders would be in proportion to their shareholding interest. If not, how would this be in the best interest of the Company. Otherwise, please ensure that the Co will aggregate and seek shareholders' approval for additional costs/loans extended by the Company to the JV Company that will trigger the relevant thresholds under LR1010 that will require shareholders' approval under LR1014.

Company's Response:
In event if such loans are to be extended, the loans contribution will be in proportion to the shareholding interest. The Company will also comply with the SGX Listing Rules to seek shareholders' approval if there are any loans extended by the Company to the JV Company that will trigger the relevant thresholds under LR1010 that will require shareholders' approval under LR1014 in the future.

BY ORDER OF THE BOARD

Peng Weile
Executive Director
28 March 2022